



Crowe Soberman Inc.
Member Crowe Horwath International

2 St. Clair Avenue East, Suite 1100
Toronto, ON M4T 2T5
416.929.2500
416.929.2555 Fax
www.crowesoberman.com

April 23, 2018

To the Creditors of 1482241 Ontario Limited:

Please be advised that the above mentioned has filed a Proposal under Part III Division 1 of the ***Bankruptcy and Insolvency Act***, with the Official Receiver on April 13, 2018. To assist creditors in determining their position on the Proposal and to provide them with the information required in accordance with the ***Bankruptcy and Insolvency Act***, the following is enclosed:

1. A Notice to Creditors of Proposal and of the First Meeting of Creditors to be held:

Date: **May 4, 2018**

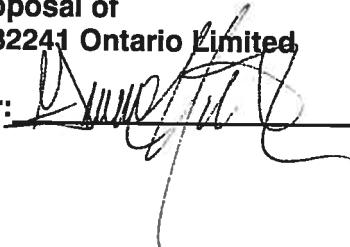
Time: **2:00 PM**

Place: **Office of the Trustee**
2 St. Clair Ave East, 11th Floor
Toronto, ON, M4T 2T5

2. Trustees Initial Report to Creditors on the Proposal
3. The Proposal
4. Statement of Affairs
5. Proof of Claim
6. General Proxy
7. Voting Letter

If there are any questions regarding this Proposal or the procedures to be followed, please feel free to contact our office at (416) 929-2500

CROWE SOBERMAN INC.,
Trustee acting in re: the
Proposal of
1482241 Ontario Limited

Per: A handwritten signature in black ink, appearing to read "John Smith", is placed over a horizontal line next to the trustee's title.

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2303814
Estate No. 31-2303814

FORM 92
Notice of Proposal to Creditors
(Section 51 of the Act)

In the matter of the proposal of
1482241 ONTARIO LIMITED
of the City of Toronto
in the Province of Ontario

Take notice that 1482241 ONTARIO LIMITED of the City of Toronto in the Province of Ontario has lodged with us a proposal under the Bankruptcy and Insolvency Act.

A copy of the proposal, a condensed statement of the debtor's assets, and liabilities, and a list of the creditors affected by the proposal and whose claims amount to \$250 or more are enclosed herewith.

A general meeting of the creditors will be held at 2 St. Clair Ave East, 11th Floor, Toronto, ON on the 4th day of May 2018 at 2:00 PM.

The creditors or any class of creditors qualified to vote at the meeting may by resolution accept the proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the court the proposal is binding on all the creditors or the class of creditors affected.

Proofs of claim, proxies and voting letters intended to be used at the meeting must be lodged with us prior to the commencement of the meeting.

Dated at the City of Toronto in the Province of Ontario, this 23rd day of April 2018.


Crowe Soberman Inc. - Licensed Insolvency Trustee

2 St. Clair Ave East, Suite 1100
Toronto ON M4T 2T5
Phone: (416) 929-2500 Fax: (416) 929-2555

(A form of proof of claim, a form of proxy and a voting letter should be enclosed with each notice.)

FORM 92 — Concluded

| List of Creditors with claims of \$250 or more. | | | |
|--|--|--------------------------|---------------------|
| Creditor | Address | Account# | Claim Amount |
| A. Checroune Realty Corporation | 240 Duncan Mill Road, Suite 801 Toronto ON M3B 3S6 | Upper Level Parking Rent | 553,015.98 |
| Alain Checroune | 240 Duncan Mill Road, Suite 801 Toronto ON M3B 3S6 | | 4,350,000.00 |
| Caruda Holdings | 240 Duncan Mill Road Toronto ON M3B 3S6 | | 1,000,000.00 |
| CRA - Tax - Ontario Quebec Insolvency Intake Centre | Shawinigan - Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-sud QC G9P 5H9 | RP CRA Payroll | 10,800.00 |
| Devry Smith Frank LLP James Satin | 100 - 95 Barber Greene Road North York ON M3C 3E9 | | 125,000.00 |
| Gowling Lafleur Henderson LLP-Toronto | 1600 - 100 King St. W. 1 First Canadian Place Toronto ON M5X 1G5 | | 445,000.00 |
| Toronto Court Services - Ticket 4860 Collections | 137 Edward Street 2nd Floor Toronto ON M5G 2P8 | | 3,500.00 |
| Toronto Hydro-Electric Systems Limited Josephine Pernarell / Mary Degroot | 500 Commissioners St, 2nd fl Toronto ON M4M 3N7 | 240 Duncan Mill Road | 190,000.00 |
| Total | | | 6,677,315.98 |

Estate File No. 31-2107857

**IN THE MATTER OF THE PROPOSAL OF
1482241 ONTARIO LIMITED
OF THE CITY OF TORONTO
IN THE PROVINCE OF ONTARIO**

TRUSTEE'S REPORT TO CREDITORS ON PROPOSAL

TO THE CREDITORS OF 148 ONTARIO LIMITED

1482241 Ontario Limited (“148”) or (“the Company”) filed a Notice of Intention to Make a Proposal (“NOI”) pursuant to the *Bankruptcy and Insolvency Act* (“BIA”), on October 13, 2017 (“NOI Date”). The Company’s Proposal was filed with the Official Receiver on April 13, 2018 pursuant to Subsection 50(1) of the Act.

Enclosed are the following documents:

- Proposal as filed with the Official Receiver;
- Statement of the Company’s assets and liabilities (“Statement of Affairs”);
- Proof of claim form;
- Voting letter; and
- General proxy.

The following Report will outline the background and financial position of the Company including relevant information that should be of assistance to creditors in considering their position with respect to accepting or rejecting the Proposal.

The description of the Proposal in this Report is a summary only and is provided for the assistance of Creditors. In the event there is any inconsistency between this Report and the Proposal, the terms of the Proposal shall govern. Creditors are advised to read the Proposal.

Section A – Introduction and Background

A corporation search indicates that the Company was incorporated in the Province of Ontario on June 21, 2001 and began operating shortly after the date of incorporation. The Company appears to be a single purpose corporation holding legal title to certain lands and a free standing commercial building located at 240 Duncan Mill Road, Toronto, Ontario (the “Duncan Mill Property”). The Proposal Trustee understands that, as of the date of the NOI filing, the sole director and officer of 148 is Mr. Alain Checroune (“Checroune”).

The Company's registered head office and principal place of business is also located at the Duncan Mill Property. As of the date of the NOI filing, the Company employed 3 full time staff who perform maintenance, office administration, and property management services.

The Duncan Mill Property was constructed in 1971 and is made up of an eight-storey multi-tenant commercial building with a single level basement and underground parking garage. It also includes a two-storey parking garage on the west side of the building. The Duncan Mill Property consists of commercial units, with many of its tenants involved in the health care industry. The Proposal Trustee understands that as of the date of the NOI filing there was a 52% occupancy rate, with a total of 19 tenants.

Based on a review of the parcel registry from the Land Registry Office, the Duncan Mill Property was purchased by 148 on August 13, 2001 for \$15,300,000.

Dan Realty Corporation, E.Manson Investments Limited, and Copperstone Investments Limited (collectively, the "First Mortgagee") were the registered holder of a first mortgage on the Duncan Mill Property (the "First Mortgage") which mortgage was assigned from Computershare Trust Company of Canada on June 2, 2016. As security for its loan, 148 granted to the First Mortgagee, among other things, a mortgage in the amount of \$11,250,000 over the Duncan Mill Property and a General Security Agreement providing a first charge over all personal property of 148. As of the date of the NOI filing, 148 was indebted to the First Mortgagee in amounts that total \$7,692,202.45, inclusive of accrued interest and costs.

A second mortgage was registered on title to the Duncan Mill Property in favour of Janodee Investments Ltd. and Meadowshire Investments Ltd. (together, the "Second Mortgagee"), dated September 21, 2016 (the "Second Mortgage") against the Duncan Mill Property. As of the date of the NOI filing, the Proposal Trustee understood the amount outstanding under the Second Mortgage was approximately \$1,420,000, including accrued interest.

In addition to the first and second mortgages, as of the date of the NOI filing the Debtor owed \$1,441,179.66 in property tax arrears to the City of Toronto.

Prior to the filing of the NOI, the Company received a notice of default from counsel for the First Mortgagee that included a Notice of Intention to Enforce Security pursuant to Section 244(1) of the BIA. In addition, the Company also received notices from a bailiff that had been retained by the City of Toronto and had issued a tax warrant for the unpaid property tax.

In addition to the secured creditors outlined above, the Proposal Trustee became aware that 148 had been involved in lengthy litigation since 2014 with Jamshid Hussaini, Neelofar Ahmadi, and Homelife Dreams Realty Inc. (the "Hussaini Group").

The Hussaini Group commenced an action against 148, and Checroune, seeking a declaration that they own 20% of the shares of 148 and hold a 20% interest in the Duncan Mill Property. The Hussaini Group obtained a certificate of pending litigation on the Duncan Mill Property along with an injunction pursuant to an Order of Justice Whitaker dated October 24, 2014, (the "Injunction Order").

Section B- Court Approved Sales Process

The Proposal Trustee carried out a sale and solicitation process of the Duncan Mill Property that was approved pursuant to the Order of Justice Hainey dated November 3, 2017 (the "Sales Process"). The Sales Process was carried out on notice and in consultation with the First Mortgagee, as well as other stakeholders. The Proposal Trustee has prepared numerous reports on the Sales Process which are all available on the Proposal Trustee's website, alongside the resulting Court Orders, <https://crowesoberman.com/insolvency/engagements/>

The Sales Process resulted in an offer to purchase the Duncan Mill Property from 1979119 Ontario Inc. by way of an agreement of purchase and sale dated February 26, 2018 (the "APS"). 1979119 Ontario Inc. subsequently assigned its interest in the APS to AZDM Inc. (the "Purchaser"). The Proposal Trustee sought court approval of the APS. Pursuant to the Order of Justice Hainey dated March 16, 2018, the sale of the Duncan Mill Property was approved and title was vested to the Purchaser (the "Sale Approval and Vesting Order"). The transaction closed on March 29, 2018 and the remaining funds (after certain payments to secured creditors), are being held by legal counsel for the Proposal Trustee, in trust, pending further Order of the Court.

Section C – Summary of Proposal

The Company is filing the enclosed Proposal to satisfy its debts and obligations to its creditors. This section contains a brief summary of the Proposal, the terms of which would be effective if:

- i) all Unsecured Creditors with valid proven claims vote for the acceptance of the Proposal by a majority in number and two thirds in value of creditors present, personally or by proxy, at the general meeting of creditors; and
- ii) the Proposal is approved by the Court, in accordance with the provisions of the Act.

Defined terms not otherwise defined in this report have the meanings given to them in the Proposal.

The Proposal provides for the restructuring of the Company's liabilities through a monetary distribution to Unsecured Creditors.

The Proposal provides for the following:

1. Claims as at the Proposal Date that could be subject to a demand under subsection 224(1.2) of the Income Tax Act (Canada) ("ITA"), any provision of the Canada Pension Plan or of the Employment Insurance Act that refers to subsection 224(1.2) of the ITA, or any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the ITA, shall be paid within six months after Court approval of the Proposal or as otherwise agreed. Generally these amounts are for arrears in payment of payroll deductions. The Company has declared that the CRA is owed approximately \$10,800 in this regard.
2. Any amounts owing to employees or former employees of the Company (not including independent commissioned sales agents or contractors) that would qualify as claims under paragraph 136(1) (d) of the Act if the Company became bankrupt on the Proposal Date, are to be paid on Court approval of the Proposal. For greater certainty, amounts due or which may become due do not include claims for severance or termination pay or any compensation in lieu of termination. The Company has not declared any debts in this regard.

3. Any outstanding Administrative Fees and Expenses of the Proposal Trustee and the Debtor shall be paid in full from the Sale Proceeds.
4. Funds from the sale of the Duncan Mill Property will be used to fund the operating expenses of the Debtor.
5. Secured claims as at the Proposal Date are to be dealt with as follows:
 - a) Secured creditors shall be paid in accordance with the respective agreements between each secured creditor and the Company. To the extent there is insufficient collateral to repay the secured indebtedness, the secured creditor will file the balance of its claim as an unsecured creditor.
6. Related Parties will advise the Proposal Trustee and the creditors of the claims they intend to postpone at the First Meeting of Creditors to consider the Proposal. The Postponed Related Party Claims will not be paid or compromised in the Proposal. The proven Related Party Claims which are not identified as Postponed Related Party Claims will be paid from the Proposal Fund on the same basis as the Ordinary Creditors
7. For the claims of Ordinary Creditors, a Proposal Fund equal to 100% of the proven claims, including any proven claim by a related party, up to a maximum of \$6,700,000 will be paid from the proceeds of the sale of the Duncan Mill Property. Ordinary Creditors with proven claims will be paid from the Proposal Fund once the claims of Preferred Creditors are satisfied. The definition of a "Claim" in the filed Proposal includes claims for liabilities that arose after the date of the NOI filing.

Section D – Assets

According to the Company's sworn Statement of Affairs ("SOA") as at April 13, 2018 its assets consist of the following:

| Asset | Amount as per SOA |
|--------------|--------------------------|
| Cash | \$6,700,000 |
| Total | \$6,700,000 |

In addition to the asset listed on the SOA, the Proposal Trustee was provided a list of nine (9) separate actions involving the Company. For the purposes of this report on the Company's Proposal, the Proposal Trustee is not able to speculate on what benefit (if any), may be available for 148's creditors arising from the actions.

The cash on hand is subject to the Proposal Trustee's post sale adjustments and the payment of obligations pursuant to Court Orders.

Section E – Creditors’ Claims

Based on the Company’s Sworn Statement of Affairs, dated April 13, 2018 (“SOA”),* the Company’s estimated creditors are comprised of:

| Creditor classification | Amount |
|-------------------------|-----------------------|
| Unsecured | \$6,677,317.98 |
| Total | \$6,677,317.98 |

*The Proposal Trustee notes that the original creditor list compiled for the NOI process contained a list of total creditors in the amount of \$21,946,938.20 (the “NOI Creditor List”). The NOI Creditor List contained the claims by the First Mortgagee, the Second Mortgagee, the Hussaini Group, the City of Toronto, and other vendors and suppliers.

Based on the Proposal Trustee’s review of the Company’s Proposal, it does not appear to address the claims of any potential property claimants to the proceeds of sale of the Duncan Mill Property that may be advanced in the Proposal proceeding. This could affect the amount of proceeds ultimately available to pay the Unsecured Creditors’ proven claims.

Section F – Estimated Realization

In the Proposal filed by the Company, proven Unsecured Creditors will receive an amount equal to 100% of their proven claims. The Proposal does not propose a distribution to other creditors that appeared on the NOI Creditor List.

Unsecured Creditors with proven claims will receive a pro-rata dividend from the proceeds of the realization on the Company’s assets. The amount that Unsecured Creditors can expect to receive will depend on the final dollar amount of filed claims and the final amount of cash available from the sale proceeds.

Distributions to all creditors in respect of their proven claims will be subject to the Superintendent of Bankruptcy levy equal to 5% of the dividend paid.

If Proposal Not Accepted

If the Proposal is not accepted, the Company would be deemed a bankrupt and its assets would vest with the Trustee. In a bankruptcy scenario, the valid Related Party Claims will not be voluntarily postponed. If the Related Party Claims are submitted in full and admitted by the Trustee, the remaining Unsecured Creditors would receive a smaller distribution.

Statement of Projected Cash-flow

In accordance with the Act, the Trustee has reviewed the Statement of Projected Cash-flow prepared by the Company.

Section G – Previous Business Dealings with the Debtor

The undersigned Trustee, and Crowe Soberman Inc., confirm that they have no previous business dealings with the Company.

Section H – Remuneration of Trustee

Payment of the outstanding fees and expenses of the Proposal Trustee, if any, are being paid out of the Proposal.

Section I – Procedures for Dealing with Proposal and Completing a Proof of Claim

In completing the proof of claim form submitted herewith, creditors should include amounts outstanding as at October 13, 2017. The Proposal also contemplates claims for liabilities that arose after that date.

Creditors may attend, in person or by proxy, the meeting to consider the Proposal that will be held at the office of the Proposal Trustee, 2 St. Clair Avenue East, Suite 1100, Toronto, Ontario, M4T 2T5 on the 4th day of May, 2018 at 1:00 pm.

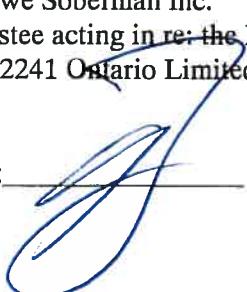
Please note that in order for your vote to count in connection with the Proposal, it is necessary that you complete and submit the enclosed proof of claim and voting documents prior to the meeting.

Creditors who do not wish to attend or be represented at the meeting but who wish to vote, may forward their proofs of claim and voting letters to the Trustee via fax or mail so as to be received prior to the meeting.

Dated at the City of Toronto, Province of Ontario, this 23rd day of April, 2018.

Crowe Soberman Inc.
Trustee acting in re: the Proposal of
1482241 Ontario Limited

Per: _____



**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

PROPOSAL OF 1482241 ONTARIO LIMITED (“148”)

148 hereby submits the following Proposal to all of its Unsecured Creditors pursuant to Part III of the *Bankruptcy and Insolvency Act* (Canada).

ARTICLE 1

DEFINITIONS

1.1 Definitions

In this Proposal:

- (a) **“Administrative Charge”** means the Administrative Charge created by the Charging Order
- (b) **“Administrative Fees and Expenses”** means the fees, expenses and legal fees and disbursements of the Trustee, and the Debtor incurred in relation to the Notice of Intention to File Proposal proceedings and in respect of on and incidental to the negotiation, preparation, presentation, consideration and implementation of the Proposal, and all proceedings and matters relating to or arising out of the Proposal;
- (c) **“Approval Date”** is the date upon which the Approval Order is granted;
- (d) **“Approval Order”** means an order of the Court approving the Proposal;
- (e) **“Avison Young Recovery”** means such amounts as Avison Young may be required to reimburse to 148 related to rental amounts received by Avison Young during its period as manager of the building;
- (f) **“BIA”** means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended and in force as at the Date of Filing;

- (g) **“Business Day”** means a day, other than a Saturday or Sunday, on which banks are generally open for business in Toronto, Ontario;
- (h) **“Canada Pension Plan”** means the *Canada Pension Plan*, R.S.C. 1985, c. C-8, as amended;
- (i) **“Charging Order”** means the Order of Justice Hainey in these proceedings dated November 3, 2017 under which the Administrative Charge and the DIP Charge was created;
- (j) **“Claim”** means any right of any Person against the Debtor in connection with any indebtedness, liability or obligation of any kind of the Debtor which indebtedness, liability or obligation is in existence at the Date of Filing, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, unknown, by guarantee, by surety or otherwise and whether or not such a right is executory in nature, including, without limitation, the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future based in whole or in part on facts which exist prior to or at the time of the Implementation Date including, without limitation any, claims that would have been claims provable in bankruptcy had the Debtor become bankrupt on the Date of Filing, including, without limitation any claims for unpaid services which arose after the Date of Filing other than those services in respect of which an administrative charge has been granted in these proposal proceedings;
- (k) **“Collateral”**, in respect of a Secured Creditor, means the assets and property of the Debtor in which the Secured Creditor holds a valid and enforceable security interest;
- (l) **“Company”** shall mean the Debtor;
- (m) **“Court”** means the Ontario Superior Court of Justice (in Bankruptcy and Insolvency);
- (n) **“Creditor”** means any Person, having a Claim and may, if the context requires, mean a trustee, receiver, receiver-manager or other Person acting on behalf or in the name of such Person;
- (o) **“Creditors’ Meeting”** means the meeting of the Unsecured Creditors called for the purpose of considering and voting upon the Proposal;
- (p) **“Creditors’ Meeting Date”** means such date and time as may be called by the Trustee, but in any event shall be no later than twenty-one (21) days following the Date of the Proposal;
- (q) **“Date of Filing”** means October 13, 2017, the date of the filing of the Notice of Intention to Make a Proposal with the Official Receiver;
- (r) **“Date of the Proposal”** means April 12, 2018, the date that the Proposal was lodged with the Trustee;

- (s) **“Debtor”** means 148;
- (t) **“DIP Charge”** shall mean the charge in favour of the DIP Lender as set out in the Charging Order;
- (u) **“DIP Lender”** shall mean Caruda Holdings Ltd.
- (v) **“DIP Remainder”** means the claim of DIP Lender against the Company, any amount not covered by the DIP Charge for any reason;
- (w) **“Employment Insurance Act”** means the *Employment Insurance Act*, S.C. 1996 c. 23, as amended;
- (x) **“Excluded Claim”** any claim by any party who is the beneficiary of any charge created in the Charging Order, including the DIP Charge;
- (y) **“Implementation Date”** means the date upon which the conditions set forth in Article 7.4 have been satisfied;
- (z) **“Income Tax Act”** means *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), as amended;
- (aa) **“Inspectors”** means one or more inspectors appointed pursuant to the BIA as provided for in the Proposal;
- (bb) **“Official Receiver”** shall have the meaning ascribed thereto in the BIA;
- (cc) **“Ordinary Creditors”** means Creditors with Proven Claims, except for those Claims:
 - (i) that the Trustee determines not to be a provable claim in accordance with Section 135 (1.1) of the BIA;
 - (ii) that have been finally and conclusively disallowed in accordance with the BIA;
 - (iii) that are Claims by Preferred Creditors;
 - (iv) that are Claims by a Related Party;
 - (v) that are Claims by a Secured Creditor; or
 - (vi) that are Claims in respect of an Equity Interest.
- (dd) **“Performance”** means full performance of this Proposal as set out in Article 6 paragraph 6.1 hereof;
- (ee) **“Person”** means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other entity howsoever designated or constituted, including, without limitation, Canada Revenue Agency;
- (ff) **“Postponed Related Party Claims”** means those Claims of the Related Parties which will be postponed by the Related Parties as will be communicated at the Creditors’ Meeting and finalized on or before the Implementation Date.

(gg) **“Preferred Creditors”** means Creditors with Proven Claims that are proven and which are required by the BIA to be paid in priority to all other Claims under a proposal made by a debtor and including, without limitation:

- (i) employees and former employees of the Debtor, not to include independent commissioned sales agents or contractors, for amounts equal to the amounts that they would be qualified to receive under paragraph 136(l)(d) of the BIA if the Debtor became bankrupt on the Date of Filing, as well as wages, salaries, commissions or compensation for services rendered after that date and before the Court approval of the Proposal, together with, in the case of travelling salesmen, disbursements properly incurred by those salesmen in and about the Debtor's business during the same period; and
- (ii) Her Majesty in Right of Canada or a Province for all amounts that were outstanding at the time of the filing of the notice of intention or of the Date of Filing and are of a kind that could be subject to a demand under,
 - (a) subsection 224(1.2) of the Income Tax Act;
 - (b) any provision of the Canada Pension Plan or of the Employment Insurance Act that refers to subsection 224(1.2) of the Income Tax Act and provides for the collection of a contribution, as defined in the Canada Pension Plan, or an employee's premium, or employer's premium, as defined in the Employment Insurance Act, and of any related interest, penalties or other amounts; or
 - (c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the Income Tax Act, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum
 - (i) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the Income Tax Act, or
 - (ii) is of the same nature as a contribution under the Canada Pension Plan if the province is a “province providing a comprehensive pension plan” as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a “provincial pension plan” as defined in that subsection.

- (jj) **“Proposal Fund”** shall mean an amount equal to 100% of the Proven Claims (including any Proven Claim by a Related Party) to a maximum of \$6.7 million, which will be paid by the Proposal Trustee on behalf of the Debtor from the Sale Proceeds, plus any amount realized from the Avison Young Recovery on the Implementation Date.
- (kk) **“Proven Claim”** of a Creditor means the amount of the Claim of such Creditor finally determined in accordance with the provisions of the BIA;
- (ll) **“Related Party”** means Alain Checroune, Alain Checroune Realty Inc., Caruda Holdings Ltd. and any Creditor related to the Debtor within the meaning of Section 4 of the BIA;
- (mm) **“Sale Proceeds”** are the unencumbered proceeds held by the Proposal Trustee from the sale of the property known municipally at 240 Duncan Mills Road, which property was sold on March 29th, 2018 in accordance with the Approval and Vesting Order of Justice Hainey dated March 16, 2018;
- (nn) **“Secured Creditor”** means any creditor holding a valid and perfected security interest against the Debtor;
- (oo) **“Trustee”** means Crowe Soberman Inc., or its duly appointed successor or successors;
- (pp) **“Unsecured Creditors”** means, collectively, the Preferred Creditors and the Ordinary Creditors; and
- (qq) **“Voting Letter”** shall mean the voting letter required by subsection 51(1) of the BIA to be mailed to each known Creditor prior to the Unsecured Creditors’ Meeting.

1.2 Articles of Reference

The terms “hereof”, “hereunder”, “herein” and similar expressions refer to the Proposal and not to any particular article, section, subsection, clause or paragraph of the Proposal and include any agreements supplemental hereto. In this Proposal, a reference to an article, section, subsection, clause or paragraph will, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of the Proposal.

1.3 Interpretation Not Affected by Headings

The division of the Proposal into articles, sections, subsections, clauses or paragraphs and the insertion of a table of contents and headings are for convenience of reference only and will not affect the construction or interpretation of this Proposal.

1.4 Date for Any Action

In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day.

1.5 Time

All times expressed herein are local time in Toronto, Ontario, Canada unless otherwise stipulated. Where the time for anything pursuant to the Proposal on a particular date is unspecified herein, the time shall be deemed to be 5:00 p.m. local time in Toronto, Ontario, Canada, or in accordance with the Superintendent of Bankruptcy Directive #9R3.

1.6 Numbers

In the Proposal, where the context requires, a word importing the singular number will include the plural and *vice versa* and a word or words importing gender will include all genders.

1.7 Currency

Unless otherwise stated herein, all references to currency in the Proposal are to lawful money of Canada.

1.8 Statutory References

Except as otherwise provided herein, any reference in the Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

1.9 Successors and Assigns

The Proposal will be binding upon and will enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in the Proposal.

ARTICLE 2

CLASSIFICATION OF CREDITORS

2.1 Classes of Creditors

For the purposes of voting on the Proposal, only Unsecured Creditors will be entitled to vote on the Proposal. There shall be one class of Unsecured Creditors.

ARTICLE 3

TREATMENT OF CREDITORS

3.1 Secured Creditors

Secured Creditors shall be paid in accordance with the respective agreement(s) between each Secured Creditor and the Debtor or as otherwise agreed between said Secured Creditor and the Debtor. To the extent that there is insufficient Collateral to repay the secured indebtedness, the Secured Creditor will file the balance of its claim as an Unsecured Creditor and participate in this Proposal as same.

3.2 Preferred Creditors

The Proven Claims of the Preferred Creditors are to be paid by the Trustee in full in priority to all the Proven Claims of Ordinary Creditors in accordance with the BIA and the Proposal.

3.3 Ordinary Creditors

The Ordinary Creditors with Proven Claims (including the Proven Claims of Related Parties) will be paid 100% of their Proven Claims from the Proposal Fund to a maximum of \$6.7 million, once the claims of Preferred Creditors are satisfied as provided for in this Proposal.

3.4 Related Parties

The Related Parties will advise the Proposal Trustee and the Creditors of the Claims they intend to postpone at the Creditors' Meeting. The Postponed Related Party Claims will not be paid or compromised in the Proposal.

The Related Party Claims which are not identified as Postponed Related Party Claims will be paid from the Proposal Fund as a Proven Claim on the same basis as the Proven Claims of the other Ordinary Claims as set out in 3.2 above.

3.5 Claims Against Directors

Any Claims against the Debtor by any Creditor that are also Claims against the directors of the Debtor that relate to obligations of the Debtor where directors are under any law liable in their capacity as directors for the payment of such obligations shall be, and upon Court approval of this Proposal, are hereby, to the extent permitted by the Act, compromised and released and forever discharged as against the directors of the Debtor upon acceptance of this Proposal by the Creditors and approval by the Court.

ARTICLE 4

PROCEDURE FOR VALIDATION OF CLAIMS

4.1 Filing of Proofs of Claim

Each Creditor must file a Proof of Claim as required by the BIA to vote on, or receive a distribution under, the Proposal.

4.2 Allowance or Disallowance of Claims by the Trustee

Upon receipt of a completed Proof of Claim, the Trustee shall examine the Proof of Claim and shall deal with each claim in accordance with the provisions of the BIA. The procedure for valuing Claims of the Unsecured Creditors and resolving disputes with respect to such Claims will be as set forth in the BIA. In the event of any contingent claim against the Company arising out of existing litigation against the Company, the Proposal Trustee shall allow the Company and its counsel to defend such Claims, with input from the Proposal Trustee. The Company and/or the Trustee reserve the right to seek the assistance of the Court in valuing any Claim, if required, to ascertain the result of any vote on the Proposal or the amount payable or to be distributed to such Creditor under the Proposal, as the case may be.

4.3 Claims Bar Process

Forthwith after the Implementation Date, the Trustee shall give notice pursuant to s.149 of the BIA to every person with a claim the Trustee has notice or knowledge but whose claim has been filed or proved that if such person does not prove his claim within a period of thirty (30) days after the mailing of the notice ("Claims Bar Date"), the Trustee will proceed to declare a final dividend without regard to such person's claim; the dividend referred to in said notice shall be deemed a final dividend and any person so notified who does not provide his claim within the said thirty (30) days shall be barred from making a claim in this Proposal or sharing in any dividend hereunder, subject to any exceptions set out in Sections 149(2)(3) and (4) of the BIA.

ARTICLE 5

MEETING OF CREDITORS

5.1 Unsecured Creditors' Meeting

On the Creditors' Meeting Date, the Trustee shall hold the Creditors' Meeting in order for the Creditors to consider and vote upon the Proposal.

5.2 Time and Place of Meeting

Unless otherwise ordered by the Court, the Creditors' Meeting shall be held at a time and place to be established by the Official Receiver, or the nominee thereof, and confirmed in its notice of meeting to be mailed pursuant to the BIA. All Proofs of Claim shall be delivered in accordance with the provisions of the Proposal, the BIA and any Order which may be issued by the Court in respect of the procedure governing the Creditors' Meeting.

5.3 Conduct of Meetings

The Proposal Trustee shall preside as the chair of the Creditors' Meeting and will decide all matters relating to the conduct of the Creditors' Meeting. The only persons entitled to attend the Creditors' Meeting are those persons, including the holders of proxies, entitled to vote at the Creditors' Meeting, the Secured Creditors and their respective legal counsel, if any, and the officers, directors, auditors, and legal counsel of the Debtor, together with such representatives of the Trustee as the Trustee may appoint in its discretion, and such scrutineers as may be duly appointed by the chair of such meeting. Any other person may be admitted on invitation of the chair of the Creditors' Meeting or with the consent of the Unsecured Creditors.

5.4 Adjournment of Meetings

The Creditors' Meeting may be adjourned in accordance with Section 52 of the BIA.

5.5 Voting by Creditors

To the extent provided for herein, each Unsecured Creditor will be entitled to vote to the extent of the amount which is equal to that Creditor's Proven Claim. Any Proof of Claim in respect of a Claim that is not a Proven Claim as at the Creditors' Meeting Date will be marked as objected to in accordance with Section 108(3) of the BIA and may be valued by the Trustee at the meeting and voted in that amount.

5.6 Approval by Creditors

In order that the Proposal be binding on all of the Unsecured Creditors of the Debtor in accordance with the BIA, it must first be accepted by the Unsecured Creditors as prescribed by this Proposal by a majority in number of the Unsecured Creditors who actually vote upon the Proposal (in person or by proxy) at the Creditors' Meeting or by a Voting Letter, representing two-thirds in value of the Proven Claims of the Unsecured Creditors who actually vote upon the Proposal (whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter.

ARTICLE 6

DISTRIBUTION OF PROCEEDS

6.1 Implementation of Proposal

- (a) After the Approval of the Proposal but prior to the Implementation Date, the Proposal Trustee shall pay any outstanding Administrative Fees and Expenses in full from the Sale Proceeds. In the event of any dispute as to the amount of such fees, the Proposal Trustee shall make a motion to the Court for approval and payment of said fees.
- (b) On the Business Day that is 10 Business Days after the Claims Bar Date or after the Payment of the Administrative Fees and Expenses, whichever is later, the Proposal Trustee, on behalf of the Debtor, will distribute their *pro rata* share of the Proposal Fund provided that no Affected Creditor shall be entitled to receive more than 100% of that Unsecured Creditor's Proven Claim.

Upon payment of the Proposal Proceeds to the Trustee, the Debtor's obligation under the Proposal shall be fully performed and the Trustee shall issue a certification of full performance to the Debtor in accordance with section s.65.3 of the BIA. Payments to each Preferred and Ordinary Creditor shall be net of any applicable levy payable to the Office of the Superintendent of Bankruptcy as required by the BIA.

6.2 Payment of Administrative Fees and Expenses

Administrative Fees and Expenses of the Proposal Trustee include that of the Proposal Trustee's legal counsel's fees and disbursements, incurred at the standard rates and charges of the Proposal Trustee or its legal counsel.

Administrative Fees and Expenses shall be paid pursuant to section 60(2) of the Act. The Proposal Trustee shall be at liberty from time to time to apply reasonable amounts, out of the monies paid in the Proposal pursuant to Section 5, against its Administrative Fees and Expenses, and such amounts shall constitute advances against the Administrative Fees and Expenses when and as approved by the Court.

Notwithstanding the above, should the Proposal Trustee be required to perform work beyond that normally associated with a Proposal of this type, it shall be at liberty to seek creditors' approval for such incremental fees and disbursements as may be incurred.

If the Debtor should default on payment of the proposal amount in Section 5 hereof, the Trustee may, in absolute priority, call upon all funds accumulated in the Proposal to satisfy its proper Administrative Fees and Expenses.

6.3 Distribution to Preferred Creditors

The Preferred Creditors shall be paid in full the amount of the Proven Claim out of the Proposal Proceeds.

6.4 Distribution to Ordinary Creditors

The Ordinary Creditors with Proven Claims shall be paid their *pro rata* share of the remaining Proposal Fund, following payment of the Claims as described in paragraph 6.1, based on the proportion which the Proven Claim of such Ordinary Creditor bears to the aggregate amount of the Proven Claims of all Ordinary Creditors.

6.5 Operating Expenses

The Proposal Trustee shall fund the operating expenses of the Debtor from the Sale Proceeds up to an amount of \$200,000 per month pending the Implementation Date.

6.6 Proposal Default Fund

From the Proposal Fund, and prior to any distributions to any creditors in the administration, an amount of \$15,000 will be retained by the Trustee (“**Proposal Default Fund**”). The sole purpose of the Proposal Default Fund will be to fund an application to annul the Proposal in the event of default, which has not been remedied by the Debtor. Despite, a Certificate of Full Performance being issued to the Debtor, this provision of this Proposal will apply and the Proposal Default Fund will remain unavailable for distribution to the creditors in the estate until all the payments required under this Proposal have been made.

6.7 Discharge of Trustee

Upon payment by the Trustee of the amounts contemplated in this Article 6, the Trustee shall have discharged its duties as Trustee, the Trustee’s obligation under its Proposal shall be fully performed and the Trustee shall be entitled to apply for its discharge as Trustee hereunder. For greater certainty, the Trustee will not be responsible or liable for any obligations of the Debtor and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by this Proposal unless such acts have been carried out in bad faith and constitute a wilful or wrongful act or default. In the event the Proposal Fund is found to be greater than the amount necessary to pay the Proven Claims in full, the balance of the Proposal Fund shall be returned to the Sale Proceeds.

ARTICLE 7

MISCELLANEOUS

7.1 Compromise Effective for all Purposes

The distributions contemplated hereunder will be binding upon each Creditor, other than Secured Creditors, a Creditor holding an Excluded Claim and Related Party Creditors holding a

Postponed Related Party Claim, their heirs, executors, administrators, successors and assigns, for all purposes.

7.2 Modification of Proposal

The Debtor or any Unsecured Creditor may propose an alteration or modification to the Proposal prior to the vote taking place on the Proposal.

7.3 Consents, Waivers and Agreements

As at 12:01 a.m. on the Implementation Date, each Creditor, other than Secured Creditors and Related Party Creditors holding a Postponed Related Party Claim, their heirs, will be deemed:

- (a) to have executed and delivered to the Debtor all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Proposal in its entirety;
- (b) to have waived any default by the Debtor in any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Creditor and the Debtor that has occurred on or prior to the Implementation Date;
- (c) to have agreed, in the event that there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Creditor and the Debtor as at the Implementation Date (other than those entered into by the Debtor on, or with effect from, the Implementation Date) and the provisions of this Proposal, that the provisions of this Proposal shall take precedence and priority and the provisions of such agreement or other arrangement shall be amended accordingly; and
- (d) to have released the Debtor, the Trustee and all of their respective affiliates, employees, agents, directors, officers, shareholders, advisors, consultants and solicitors from any and all demands, claims, actions, causes of action, counter-claims, suits, debts, sums of money, accounts, covenants, damages, judgements, expenses, executions, liens, set off rights and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date, relating to or arising out of or in connection with the matters herein.

7.4 Conditions Precedent to Proposal Implementation

The implementation of the Proposal by the Debtor will be conditional upon the fulfilment or satisfaction of the following conditions:

- (a) acceptance of the Proposal by the Unsecured Creditors; and
- (b) payment of the Adminstrative Fees and Expenses in accordance with paragraph 6.1(a);

- (c) approval of the Proposal by the Court pursuant to a final Order and the expiry of ten (10) day appeal period under the BIA with no appeal having been filed within said ten (10) day period; and
- (d) payment by the Proposal Trustee of the Proposal Funds from the Sale Proceeds

7.5 Effect of Proposal Generally

As at 12:01 a.m. on the Implementation Date, the treatment of all Claims under the Proposal shall be final and binding on the Debtor and all Creditors, other than Secured Creditors and Related Party Creditors holding a Postponed Related Party Claim, their heirs, (along with their respective heirs, executors, administrators, legal personal representatives, successors and assigns) and the Proposal shall constitute (i) a full, final and absolute settlement of all rights of the holders of the Claims affected hereby; and (ii) an absolute release and discharge of all indebtedness, liabilities and obligations of the Debtor of or in respect of such Claims. Sections 95 to 101 of the BIA shall not apply.

7.6 Notices

Any notices or communication to be made or given hereunder shall be in writing and shall refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail or by telecopier (except for Proofs of Claim which may only be sent by personal delivery, telecopier or registered mail) addressed to the respective parties as follows:

- (a) if to the Debtor:

1482241 Ontario Inc.

Attention: Mr. Alain Checroune

- (b) if to an Unsecured Creditor, to the address or telecopier number for such Unsecured Creditor specified in the Proof of Claim filed by such Unsecured Creditor or, if no Proof of Claim has been filed, to such other address or telecopier number at which the notifying party may reasonably believe that the Unsecured Creditor may be contacted; and

- (c) if to the Trustee:

Crowe Soberman LLP.
2 St. Clair Avenue East, Suite 1100
Toronto ON, M4T 2T5
Attention: Hans Rizarri

Telephone: 416-963-7175
Facsimile: (416) 929-2555
Email: hans.rizarri@crowesoberman.com

or to such other address or telecopier number as any party may from time to time notify the others in accordance with this section. In the event of any strike, lock-out and other event which interrupts postal service in any part of Canada, all notices and

communications during such interruption may only be given or made by personal delivery or by telecopier and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption will be deemed not to have been given or made. All such notices and communications will be deemed to have been received, in the case of notice by telecopier or by delivery prior to 5:00 p.m. (local time) on a Business Day, when received or if received after 5:00 p.m. (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day and in the case of notice mailed as aforesaid, on the fifth (5th) Business Day following the date on which such notice or other communication is mailed. The unintentional failure to give a notice contemplated hereunder to any particular Creditor will not invalidate this Proposal or any action taken by any Person pursuant to this Proposal.

7.7 Foreign Currency Obligations

For purposes of this Proposal, Claims denominated in a currency other than Canadian funds will be converted to Canadian Dollars at the closing spot rate of exchange of the Bank of Canada on the Date of Filing.

7.8 Applicable Law

This Proposal shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

7.9 Non Severability

It is intended that all provisions of this Proposal shall be fully binding on and effective between all Persons named or referred to in this Proposal and in the event that any particular provision or provisions of this Proposal is or are found to be void, voidable or unenforceable for any reason whatever, then the remainder of this Proposal and all other provisions shall be void and of no force or effect

7.10 Deeming Provisions

In this Proposal the deeming provisions are not rebuttable and are conclusive and irrevocable.

DATED at the City of Toronto, in the Province of Ontario, this 12th day of April, 2018

1482241 ONTARIO INC.

Per: _____

Alain Checroun

IN THE MATTER OF THE PROPOSAL OF
1482241 ONTARIO INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
(IN BANKRUPTCY AND INSOLVENCY)
(PROCEEDING COMMENCED AT TORONTO)

PROPOSAL

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2303814
Estate No. 31-2303814

Original Amended

– Form 78 –

Statement of Affairs (Business Proposal) made by an entity
(Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the matter of the proposal of
1482241 ONTARIO LIMITED
of the City of Toronto
in the Province of Ontario

To the debtor:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 13th day of April 2018. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

| LIABILITIES (as stated and estimated by the officer) | |
|---|--------------|
| 1. Unsecured creditors as per list "A" | 6,666,517.98 |
| Balance of secured claims as per list "B" | 0.00 |
| Total unsecured creditors | 6,666,517.98 |
| 2. Secured creditors as per list "B" | 10,800.00 |
| 3. Preferred creditors as per list "C" | 0.00 |
| 4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for | 0.00 |
| Total liabilities | 6,677,317.98 |
| Surplus | 22,682.02 |

| ASSETS (as stated and estimated by the officer) | |
|---|--------------|
| 1. Inventory | 0.00 |
| 2. Trade fixtures, etc. | 0.00 |
| 3. Accounts receivable and other receivables, as per list "E" Good | 0.00 |
| Doubtful | 0.00 |
| Bad | 0.00 |
| Estimated to produce | 0.00 |
| 4. Bills of exchange, promissory note, etc., as per list "F" | 0.00 |
| 5. Deposits in financial institutions | 0.00 |
| 6. Cash | 6,700,000.00 |
| 7. Livestock | 0.00 |
| 8. Machinery, equipment and plant | 0.00 |
| 9. Real property or immovable as per list "G" | 0.00 |
| 10. Furniture | 0.00 |
| 11. RRSPs, RRIFs, life insurance, etc. | 0.00 |
| 12. Securities (shares, bonds, debentures, etc.) | 0.00 |
| 13. Interests under wills | 0.00 |
| 14. Vehicles | 0.00 |
| 15. Other property, as per list "H" | 0.00 |
| If debtor is a corporation, add: | |
| Amount of subscribed capital | 0.00 |
| Amount paid on capital | 0.00 |
| Balance subscribed and unpaid | 0.00 |
| Estimated to produce | 0.00 |
| Total assets | 6,700,000.00 |
| Deficiency | NIL |

I, ALAIN CHECROUNE, of the City of Toronto in the Province of Ontario, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of my affairs on the 13th day of April 2018 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)
before me at the City of Toronto in the Province of Ontario, on this 13th day of April 2018.

Hans Rizari, LIT, CIBP, Commissioner of Oaths
For the Province of Ontario
Expires December 17, 2018

Hans Melville Rizari,
a Commissioner, etc., Province of
Ontario, for Crowe Soberman Inc.,
and its affiliates.
Expires December 17, 2018

ALAIN CHECROUNE

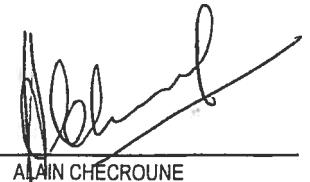
List "A"
Unsecured Creditors

1482241 ONTARIO LIMITED

| No. | Name of creditor | Address | Unsecured claim | Balance of claim | Total claim |
|-----|--|---|-----------------|------------------|--------------|
| 1 | A. Checroune Realty Corporation Upper Level Parking Rent | 240 Duncan Mill Road, Suite 801 Toronto ON M3B 3S6 | 553,015.98 | 0.00 | 553,015.98 |
| 2 | Alain Checroune | 240 Duncan Mill Road, Suite 801 Toronto ON M3B 3S6 | 4,350,000.00 | 0.00 | 4,350,000.00 |
| 3 | Caruda Holdings | 240 Duncan Mill Road Toronto ON M3B 3S6 | 1,000,000.00 | 0.00 | 1,000,000.00 |
| 4 | Daikin Applied Canada Inc. | 641 Chrislea Road, Unit 8 Vaughan ON L4L 8A3 | 1.00 | 0.00 | 1.00 |
| 5 | Devry Smith Frank LLP Attn: James Satin | 100 - 95 Barber Greene Road North York ON M3C 3E9 | 125,000.00 | 0.00 | 125,000.00 |
| 6 | GDI Services (Canada) LP TORINV 360841-370708 | 60 Worcester Road ETOBICOKE ON M9W 5X2 | 1.00 | 0.00 | 1.00 |
| 7 | Gowling Lafleur Henderson LLP-Toronto | 1600 - 100 King St. W. 1 First Canadian Place Toronto ON M5X 1G5 | 445,000.00 | 0.00 | 445,000.00 |
| 8 | Toronto Court Services - Ticket 4860 Attn: Collections | 137 Edward Street 2nd Floor Toronto ON M5G 2P8 | 3,500.00 | 0.00 | 3,500.00 |
| 9 | Toronto Hydro-Electric Systems Limited Attn: Josephine Pernarell / Mary Degroot 240 Duncan Mill Road | 500 Commissioners St, 2nd fl Toronto ON M4M 3N7 | 190,000.00 | 0.00 | 190,000.00 |
| | | | Total: | 6,666,517.98 | 0.00 |
| | | | | | 6,666,517.98 |

13-Apr-2018

Date



ALAIN CHECROUN

District of: Ontario
Division No. 09 - Toronto

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2303814
Estate No. 31-2303814

FORM 78 -- Continued

List "B"
Secured Creditors

1482241 ONTARIO LIMITED

| No. | Name of creditor | Address | Amount of claim | Particulars of security | When given | Estimated value of security | Estimated surplus from security | Balance of claim |
|-----|---|---|-----------------|--|-------------|-----------------------------|---------------------------------|------------------|
| 1 | CRA - Tax - Ontario Attn: Quebec Insolvency Intake Centre RP CRA Payroll | Shawinigan - Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-sud QC G9P 5H9 | 10,800.00 | Cash on Hand - Sale of Building - Subject to Proposal Trustee Post Sale Adjustments | 13-Apr-2018 | 10,800.00 | 6,689,200.00 | |
| | Total: | | 10,800.00 | | | 10,800.00 | 6,689,200.00 | 0.00 |

13-Apr-2018

Date

ALAN M. CHEGROUNE

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2303814
Estate No. 31-2303814

FORM 78 – Continued

List "C"
Preferred Creditors for Wages, Rent, etc.

1482241 ONTARIO LIMITED

| No. | Name of creditor | Address and occupation | Nature of claim | Period during which claim accrued | Amount of claim | Amount payable in full | Difference ranking for dividend |
|-----|------------------|------------------------|-----------------|-----------------------------------|-----------------|------------------------|---------------------------------|
| | | | | Total: | 0.00 | 0.00 | 0.00 |

13-Apr-2018

Date


ALAN CHECROUN

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2303814
Estate No. 31-2303814

FORM 78 – Continued

List "D"
Contingent or Other Liabilities

1482241 ONTARIO LIMITED

| No. | Name of creditor or claimant | Address and occupation | Amount of liability or claim | Amount expected to rank for dividend | Date when liability incurred | Nature of liability |
|-----|------------------------------|------------------------|------------------------------|--------------------------------------|------------------------------|---------------------|
| | | | Total: 0.00 | 0.00 | | |

13-Apr-2018

Date

ALAIN CHECROUNE

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2303814
Estate No. 31-2303814

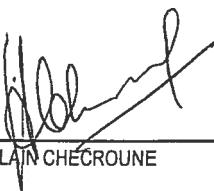
FORM 78 -- Continued

List "E"
Debts Due to the Debtor
1482241 ONTARIO LIMITED

| No. | Name of debtor | Address and occupation | Nature of debt | Amount of debt (good, doubtful, bad) | Folio of ledgers or other book where particulars to be found | When contracted | Estimated to produce | Particulars of any securities held for debt |
|-----|----------------|------------------------|----------------|--------------------------------------|--|-----------------|----------------------|---|
| | | | Total: | 0.00 0.00 0.00 | | | 0.00 | |

13-Apr-2018

Date


ALAIN CHECROUN

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2303814
Estate No. 31-2303814

FORM 78 – Continued

List "F"

Bills of Exchange, Promissory Notes, Lien Notes, Chattel
Mortgages, etc., Available as Assets

1482241 ONTARIO LIMITED

| No. | Name of all promissory, acceptors, endorsers, mortgagors, and guarantors | Address | Occupation | Amount of bill or note, etc. | Date when due | Estimated to produce | Particulars of any property held as security for payment of bill or note, etc. |
|-----|--|---------|------------|------------------------------|---------------|----------------------|--|
| | | | | Total: 0.00 | | 0.00 | |

13-Apr-2018

Date

ALAIN CHECROUNE

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2303814
Estate No. 31-2303814

FORM 78 – Continued

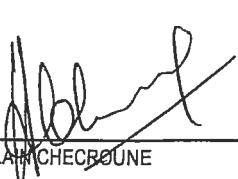
List "G"
Real Property or Immovables Owned by Debtor

1482241 ONTARIO LIMITED

| Description of property | Nature of debtor interest | In whose name does title stand | Total value | Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount) | Equity or surplus |
|-------------------------|---------------------------|--------------------------------|-------------|--|-------------------|
| | | | Total: 0.00 | | 0.00 |

13-Apr-2018

Date


ALAN CHECROUN

District of: Ontario
 Division No. 09 - Toronto
 Court No. 31-2303814
 Estate No. 31-2303814

FORM 78 -- Concluded

List "H"
Property

1482241 ONTARIO LIMITED
FULL STATEMENT OF PROPERTY

| Nature of property | Location | Details of property | Original cost | Estimated to produce |
|--|----------|---|---------------|----------------------|
| (a) Stock-in-trade | | | 0.00 | 0.00 |
| (b) Trade fixtures, etc. | | | 0.00 | 0.00 |
| (c) Cash in financial institutions | | | 0.00 | 0.00 |
| (d) Cash on hand | | Cash on hand | 6,700,000.00 | 6,700,000.00 |
| (e) Livestock | | | 0.00 | 0.00 |
| (f) Machinery, equipment and plant | | | 0.00 | 0.00 |
| (g) Furniture | | | 0.00 | 0.00 |
| (h) Life insurance policies, RRSPs, etc. | | | 0.00 | 0.00 |
| (i) Securities | | | 0.00 | 0.00 |
| (j) Interests under wills, etc. | | | 0.00 | 0.00 |
| (k) Vehicles | | | 0.00 | 0.00 |
| (l) Taxes | | | 0.00 | 0.00 |
| (m) Other | | Note: Cash on Hand - Subject to Proposal Trustee Post Sale Adjustments, and payment of obligations pursuant to Court Order | 0.00 | 0.00 |
| | | | | Total: 6,700,000.00 |

13-Apr-2018

Date

ALAIN CHECROUNE

Court No. 31-2303814

File No. 31-2303814

In the matter of the proposal of
1482241 ONTARIO LIMITED
of the City of Toronto
in the Province of Ontario

Form 78 (Bill C-12)
Statement of affairs (Business bankruptcy)

Crowe Soberman Inc. - Licensed Insolvency
Trustee

2 St. Clair Ave East, Suite 1100
Toronto ON M4T 2T5
Phone: (416) 929-2500 Fax: (416) 929-2555

Crowe Soberman Inc.
2 St. Clair Ave East, Suite 1100
Toronto ON M4T 2T5
Phone: (416) 929-2500 Fax: (416) 929-2555
E-mail: Frances.Doria@CroweSoberman.com

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2303814
Estate No. 31-2303814

FORM 31
Proof of Claim
(Sections 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1),
and Paragraphs 51(1)(e) and 66.14(b) of the Act)

In the matter of the proposal of
1482241 ONTARIO LIMITED
of the City of Toronto
in the Province of Ontario

All notices or correspondence regarding this claim must be forwarded to the following address:

In the matter of the proposal of 1482241 ONTARIO LIMITED of the City of Toronto in the Province of Ontario and the claim of _____, creditor.
I, _____ (name of creditor or representative of the creditor), of the city of _____ in the province of _____, do hereby certify:

1. That I am a creditor of the above named debtor (or I am _____ (position/title) of _____ creditor).
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of proposal, namely the 13th day of October 2017, and still is, indebted to the creditor in the sum of \$_____, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$_____

(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and
(Check appropriate description.)

Regarding the amount of \$_____, I claim a right to a priority under section 136 of the Act.
 Regarding the amount of \$_____, I do not claim a right to a priority.
(Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$_____

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

C. SECURED CLAIM OF \$_____

That in respect of this debt, I hold assets of the debtor valued at \$_____ as security, particulars of which are as follows:
(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$_____

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$_____

(Attach a copy of sales agreement and delivery receipts.)

FORM 31 -- Concluded

- E. CLAIM BY WAGE EARNER OF \$ _____
- That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____
- That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____
- F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ _____
- That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ _____
- That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ _____
- G. CLAIM AGAINST DIRECTOR \$ _____

(To be completed when a proposal provides for the compromise of claims against directors.)

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

- H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I _____ (am/am not) (or the above-named creditor _____ (is/is not)) related to the debtor within the meaning of section 4 of the Act, and _____ (have/has/have not/has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: (Provide details of payments, credits and transfers at undervalue.)

7. (Applicable only in the case of the bankruptcy of an individual.)

- Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.
- I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at _____, this _____ day of _____, _____.

Witness

Creditor

Phone Number: _____
Fax Number : _____
E-mail Address : _____

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 204(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

District of: Ontario
Division No. 09 - Toronto
Court No. 312303814
Estate No. 312303814

FORM 36
Proxy
(Subsection 102(2) and paragraphs 51(1)(e) and 66.15(3)(b) of the Act)

In the matter of the proposal of
1482241 ONTARIO LIMITED
of the City of Toronto
in the Province of Ontario

I, _____, of _____, a creditor in the above matter, hereby
appoint _____, of _____, to be
my proxyholder in the above matter, except as to the receipt of dividends, _____ (with or without)
power to appoint another proxyholder in his or her place.

Dated at _____, this _____ day of _____, _____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return To:

Crowe Soberman Inc. - Licensed Insolvency Trustee

2 St. Clair Ave East, Suite 1100
Toronto ON M4T 2T5
Phone: (416) 929-2500 Fax: (416) 929-2555
E-mail: Frances.Doria@CroweSoberman.com

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2303814
Estate No. 31-2303814

FORM 37

Voting Letter
(Paragraph 51(1)(f) of the Act)

In the matter of the proposal of
1482241 ONTARIO LIMITED
of the City of Toronto
in the Province of Ontario

I, _____, creditor (or I, _____, representative
of _____, creditor), of _____, a creditor in the above matter
for the sum of \$ _____, hereby request the trustee acting with respect to the proposal of 1482241
ONTARIO LIMITED, to record my vote _____ (for or against) the acceptance of the proposal as
made on the 13th day of April 2018.

Dated at _____, this _____ day of _____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____

Name and Title of Signing Officer

Return To:

Crowe Soberman Inc. - Licensed Insolvency Trustee
Per:

Hans Rizarri, LIT, CIRP - Licensed Insolvency Trustee
2 St. Clair Ave East, Suite 1100
Toronto ON M4T 2T5
Phone: (416) 929-2500 Fax: (416) 929-2555
E-mail: Frances.Doria@CroweSoberman.com